



Federal Communications Commission
Washington, D.C. 20554

July 2, 2002

Mr. Gordon R. Evans
Vice President – Federal Regulatory
Verizon Communications, Inc.
1300 I St., N.W.
Suite 400 West
Washington, DC 20005

RE: Section 271 Compliance Review Program for Section 271-Approved
States in the Verizon Region

Dear Mr. Evans:

Since passage of the Telecommunications Act of 1996, the Commission has granted Verizon authorization, pursuant to section 271, to provide interLATA services in eight states within its region – New York, Massachusetts, Connecticut, Pennsylvania, Rhode Island, Vermont, Maine and New Jersey. The Enforcement Bureau (“the Bureau”) will monitor Verizon’s continuing compliance with section 271 in each of these states through the Section 271 Compliance Review Program. This program is based on a structured and systematic approach to compliance review and enforcement. The Bureau has assigned a team of auditors, attorneys, and other professional staff from the Investigations and Hearings Division (“Compliance Review Team” or “Team”) to work with Verizon through the duration of the review and to monitor Verizon’s performance in the states where it has received section 271 approval. The primary team members responsible for this review are Mark Stone, Attorney, and Jeff Stover, Auditor, for the former Bell Atlantic north states¹; and Raelynn Tibayan Remy, Attorney, and Sheryl Herauf, Auditor, for the former Bell Atlantic south states.²

During the review, the Team will closely review Verizon’s performance in subject matter areas that the Commission has identified as areas of concern in the section 271 Order. In this regard, we have enclosed with this letter an attachment listing the specific performance measures and other areas about which the Commission expressed its concern in the Order. Although the Bureau will focus its review on these areas, it may also monitor other areas not noted by the Commission in the Order. Generally, the Bureau’s review will occur in three phases.³

¹ Those states include New York, Massachusetts, Connecticut, Rhode Island, Vermont, Maine and New Hampshire. We note that Verizon’s section 271 application to provide interLATA services originating in New Hampshire is pending.

² Those states include Pennsylvania, New Jersey, Delaware, Maryland, Virginia, West Virginia, and the District of Columbia. We note that Verizon’s section 271 application to provide interLATA services originating in Delaware is pending.

³ We note that Verizon received section 271 approval in some states – New York, Massachusetts, and Connecticut – more than twelve months ago. Consequently, Verizon’s post-approval performance in these states will generally not be considered in the context of the Compliance Review phases outlined above. Rather, the Bureau will arrange a meeting with Verizon to review areas of concern in each of these states as discussed in the relevant section 271 decisions.

Phase 1: The Phase 1 review will occur during the first six months following the section 271 grant.⁴ Shortly after the grant of approval, a representative from the Bureau will contact Verizon to schedule a planning meeting with Verizon representatives and the Team overseeing the review. The purpose of this meeting is to provide Verizon with the opportunity to participate in developing the Review Program and to assist the Bureau in determining the type and format of information pertaining to Verizon's performance that the Team will review.

At the meeting, Verizon should be prepared to discuss the areas of concern that the Commission noted in the section 271 Order (also listed in the attachment to this letter) and to identify knowledgeable employees, applicable corporate records, and computer systems related to these areas. Verizon should also provide to the Team the names and contact information of employees who are authorized to respond to requests for information on behalf of the corporation. Following the meeting, the Team will send a follow-up letter to Verizon memorializing the discussions at the meeting and describing the information Verizon is responsible for submitting to the Bureau approximately six months after the approval date. The Team will also continue to monitor Verizon's performance during Phase 1 through the monthly carrier-to-carrier performance reports the Commission's Orders required Verizon to submit.

Phase 2: The Phase II review will occur during the second six-month period after the grant. This phase of the review contemplates the issuance of a request for information directing Verizon to update information submitted previously, and to provide additional information concerning its performance since the Phase I review. The information responsive to this request will be due at the end of the Phase II review period. As in Phase 1, the Team will also continue to monitor Verizon's performance through the carrier-to-carrier reports. The Team will not limit its review in Phase 2 to performance data or information derived from only the second six-month period; rather, when evaluating the need for any further action, the Team will consider all of the post-authorization data and information.

Phase 3: The third phase of the review will begin after Verizon submits the information the Team required in Phase 2.

At any time during this review, the Team may ask Verizon to provide additional information or to attend additional meetings with Verizon employees who have expertise in specific subject matters. These additional inquiries may supplement existing requests or may encompass new inquiries.

⁴ States (such as Pennsylvania) in which Verizon received section 271 approval within the last six to twelve month period will be folded into the Compliance Review Program at Phase II.

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If you have any general questions concerning the issues raised in this letter, please feel free to contact me at (202) 418-1420. You may also contact Anthony Dale, Assistant Chief, Investigations and Hearings Division at (202) 418-2260 or Trent Harkrader, Section 271 Compliance Review Program Team Leader at (202) 418-2955. Thank you in advance for your cooperation.

Sincerely,

Maureen F. Del Duca
Deputy Chief, Investigations and Hearings Division
Enforcement Bureau

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**Massachusetts
Commission Identified Compliance Review Subjects⁵**

- I. Checklist Item 2: Unbundled Network Elements
 - A. Access to OSS
 - 1. Pre-Ordering Functionality, Integration, Response Times and Availability (*Order* at ¶¶ 52-53)
 - 2. Access to Loop Qualification Information (*Order* at ¶¶ 54-69)
 - 3. Ordering
 - a) Ordering Confirmation Notices (*Order* at ¶¶ 71-73)
 - b) Order Rejection Notices and Order Rejections (*Order* at ¶¶ 74-76)
 - c) Order Flow-Through Rate (*Order* at ¶¶ 77-82)
 - d) Order Completion Notices and Jeopardy Information (*Order* at ¶¶ 83-86)
 - e) Ordering Notifiers and the *New York Consent Decree* (*Order* at ¶¶ 87-89)
 - 4. Provisioning
 - a) Resale Orders (*Order* at ¶¶ 91-93)
 - b) UNE-P Orders (*Order* at ¶ 94)
 - 5. Maintenance and Repair
 - a) Functionality (*Order* at ¶ 95)
 - b) Interface Response Times, Time to Restore and Quality of Work Performed (*Order* at ¶ 96)
 - 6. Billing
 - a) Billing Accuracy (*Order* at ¶¶ 97-99)
 - b) Line Loss Reports (*Order* at ¶ 100)
 - c) Suspension for Non-Payment (*Order* at ¶ 101)
 - 7. Change Management and Technical Assistance (*Order* at ¶¶ 102-116)
 - B. UNE Combinations (*Order* at ¶¶ 117-120)
- II. Checklist Item 4: Unbundled Local Loops
 - A. xDSL-Capable Loops
 - 1. Order Processing Timeliness (*Order* at ¶¶ 132-135)
 - 2. Provisioning Timeliness (*Order* at ¶¶ 136-141)
 - 3. Provisioning Quality (*Order* at ¶¶ 142-148)
 - 4. Maintenance and Repair (*Order* at ¶¶ 149-153)
 - B. Subloops (*Order* at ¶¶ 154-155)
 - C. High Capacity Loop Performance (*Order* at ¶ 156)
 - D. Voice Grade Loops
 - 1. Hot Cuts (*Order* at ¶¶ 158-160)
 - 2. New Stand-Alone Loop Provisioning (*Order* at ¶¶ 161-162)

⁵ Consistent with the representation in the letter pertaining to the scope of the Bureau's review, the Bureau may monitor for enforcement purposes other subjects or performance indicators not expressly noted by the Commission in the *Massachusetts Order* or in this Attachment.

**Connecticut
Commission Identified Compliance Review Subjects⁶**

- I. Checklist Item 4: Unbundled Local Loops
 - A. xDSL Stand-Alone Loops
 - 1. Provisioning Timeliness (*See Connecticut Order* (“*Order*”) at ¶¶ 16-20)
 - 2. Provisioning Quality (*Order* at ¶¶ 16-20)
 - 3. High Capacity Loops (*Order* at ¶ 26)
 - B. Checklist Item 14: Resale
 - 1. Compliance with *ASCENT* decision (*Order* at ¶¶ 27-44)

⁶ Consistent with the representation in the letter pertaining to the scope of the Bureau’s review, the Bureau may monitor for enforcement purposes other subjects or performance indicators not expressly noted by the Commission in the *Connecticut Order* or in this Attachment.

**Rhode Island
Commission Identified Compliance Review Subjects⁷**

- I. Checklist Item 2: Unbundled Network Elements
 - A. Pricing of Network Elements
 - 1. Switch Rates (*See Rhode Island Order* (“*Order*”) at ¶¶ 33-55)
 - 2. Loop Rates (*Order* at ¶¶ 56-57)
 - B. OSS
 - 1. Pre-ordering – Loop Qualification (*Order* at ¶¶ 61-65)
 - 2. Ordering
 - a) Order Reject Notices/Rejects (*Order* at ¶ 66)
 - b) Jeopardies (*Order* at ¶¶ 67-68)
 - 3. Provisioning – Average Interval Completed (*Order* at ¶¶ 69-70)
- II. Checklist Item 4: Unbundled Local Loops
 - A. xDSL Loops – Trouble Reports for Standalone Loops (*Order* at ¶¶ 78-79)
 - B. Digital Loops
 - 1. Installation Troubles (*Order* at ¶¶ 80-81)
 - 2. Repeat Troubles (*Order* at ¶¶ 80-81)
 - C. Voice-Grade Loops
 - 1. Repeat Trouble Reports (*Order* at ¶ 85)
 - 2. Provisioning Timeliness (*Order* at ¶ 86)
 - D. High Capacity Loops – Provisioning Quality (*Order* at ¶¶ 87-88)
- III. Checklist Item 5: Transport
 - A. Dark Fiber (*Order* at ¶ 93)
- IV. Checklist Item 14: Resale
 - A. *ASCENT* Decision (*Order* at ¶¶ 94-97)

⁷ Consistent with the representation in the letter pertaining to the scope of the Bureau’s review, the Bureau may monitor for enforcement purposes other subjects or performance indicators not expressly noted by the Commission in the *Rhode Island* or in this Attachment.

**Vermont
Commission Identified Compliance Review Subjects⁸**

I. Checklist Item 2: Unbundled Network Elements

A. Pricing

1. Switching Rates (*Order* at ¶¶ 28-36)
2. Daily Usage Feed Rates (*Order* at ¶¶ 37-38)

B. OSS

1. Order Accuracy (*Order* at ¶ 41)
2. Completion Notifiers (*Order* at ¶ 42)
3. Provisioning (*Order* at ¶ 43)

C. UNE Combinations (*Order* at ¶ 44)

⁸ Consistent with the representation in the letter pertaining to the scope of the Bureau's review, the Bureau may monitor for enforcement purposes other subjects or performance indicators not expressly noted by the Commission in the *Vermont Order* or in this Attachment.

**Maine
Commission Identified Compliance Review Subjects⁹**

- I. Checklist Item 2: Unbundled Network Elements
 - A. Pricing of Network Elements
 - 1. DUF Rate (*See Maine Order* (“*Order*”) at ¶¶ 22-25)
 - 2. Switching Rates (*Order* at ¶¶ 26-30)
 - B. OSS
 - 1. Order Accuracy (*Order* at ¶¶ 37-38)
 - 2. Flow-Through (*Order* at ¶¶ 39-40)
 - C. Billing (*Order* at ¶ 41)
 - D. UNE Combinations (*Order* at ¶¶ 42-43)
- II. Checklist Item 4: Unbundled Local Loops
 - A. xDSL Loops
 - 1. Percentage of Installation Troubles (*Order* at ¶ 47)
 - 2. Network Trouble Report Rate (*Order* at ¶ 47)
 - B. Digital Loops
 - 1. Installation Troubles Reported (*Order* at ¶ 48)
 - 2. Network Trouble Report Rate (*Order* at ¶ 48-49)
 - C. High Capacity Loops
 - 1. Network Trouble Report Rate (*Order* at ¶ 50)
 - 2. Digital Loops
 - 3. Installation Troubles (*Order* at ¶¶ 80-81)
 - 4. Repeat Troubles (*Order* at ¶¶ 80-81)
 - D. Voice-Grade Loops
 - 1. Repeat Trouble Reports (*Order* at ¶ 85)
 - 2. Provisioning Timeliness (*Order* at ¶ 86)
 - E. High Capacity Loops – Provisioning Quality (*Order* at ¶¶ 87-88)

⁹ Consistent with the representation in the letter pertaining to the scope of the Bureau’s review, the Bureau may monitor for enforcement purposes other subjects or performance indicators not expressly noted by the Commission in the *Maine Order* or in this Attachment.

**Pennsylvania
Commission-Identified Compliance Review Subjects¹⁰**

- I. Checklist Item 2: Unbundled Network Elements
 - A. OSS
 - 1. Billing
 - a. Service Usage (*See Pennsylvania Order* (“*Order*”) at ¶ 14)
 - b. Wholesale Bills (*Order* at ¶¶ 15-42)
 - 2. Billing Notifiers (*Order* at ¶¶ 43-44)
 - 3. Access to Loop Qualification Information (*Order* at ¶¶ 45-47)
 - 4. Flow-Through (*Order* at ¶¶ 48-49)
 - B. Pricing of Network Elements (*Order* at ¶¶ 53-72)
 - C. Provision of UNE Combinations (*Order* at ¶¶ 73-75)
- II. Checklist Item 4: Unbundled Local Loops
 - A. xDSL-Capable Loops (*Order* at ¶¶ 79-84)
 - B. Digital Loops (*Order* at ¶ 85)
 - C. Hot Cut Activity (*Order* at ¶ 86)
 - D. Voice Grade Loops (*Order* at ¶ 87)
 - E. Line Sharing (*Order* at ¶ 88)
 - F. Line Splitting (*Order* at ¶ 89)
 - G. High Capacity Loops (*Order* at ¶¶ 90-92)
- III. Checklist Item 5: Unbundled Local Transport (*Order* at ¶¶ 109-113)
- IV. Checklist Item 14: Resale (*Order* at ¶¶ 93-98)

¹⁰ Consistent with the representation in the letter pertaining to the scope of the Bureau’s review, the Bureau may monitor for enforcement purposes other subjects or performance indicators not expressly noted by the Commission in the Pennsylvania Order or in this Attachment.

**New Jersey
Commission-Identified Compliance Review Subjects¹¹**

- I. Checklist Item 2: Unbundled Network Elements
 - A. Pricing of Unbundled Network Elements
 - 1. Recurring Charges
 - a. Loop Rates (*See New Jersey Order* (“*Order*”) at ¶¶ 25-31)
 - b. Switching Rates (*Order* at ¶¶ 32-55)
 - c. Daily Usage File (DUF) Rates (*Order* at ¶¶ 56-60)
 - 2. Non-Recurring Charges (*Order* at ¶¶ 61-73)
 - a. “Hot Cut” Charges (*Order* at ¶¶ 61-68)
 - b. Feature Change Service Order Charge (*Order* at ¶¶ 69-73)
 - B. OSS
 - 1. Order Processing Notifiers (*Order* at ¶¶ 93-97)
 - a. Timeliness of Confirmation and Reject Notices (*Order* at ¶¶ 98-101)
 - b. Order Completion Notifiers
 - 1) Accuracy of Order Completion Notifiers (*Order* at ¶¶ 103-109)
 - 2) Timeliness of Order Completion Notifiers (*Order* at ¶¶ 110-117)
 - 3) Notifier Trouble Tickets (*Order* at ¶¶ 118-120)
 - 2. Wholesale Billing (*Order* at ¶¶ 121-129)
 - 3. Order Flow-Through and Reject Rate (*Order* at ¶¶ 130-134)
- II. Checklist Item 4: Unbundled Local Loops
 - A. Voice Grade Loops (*Order* at ¶¶ 139-141)
 - B. Hot Cut Activity (*Order* at ¶¶ 142-143)
 - C. xDSL-Capable Loops (*Order* at ¶¶ 144-145)
 - D. Digital Loops (*Order* at ¶¶ 146-147)
 - E. High Capacity Loops (*Order* at ¶¶ 148-151)
 - F. Line Sharing and Line Splitting (*Order* at ¶¶ 152-153)

¹¹ Consistent with the representation in the letter pertaining to the scope of the Bureau’s review, the Bureau may monitor for enforcement purposes other subjects or performance indicators not expressly noted by the Commission in the New Jersey Order or in this Attachment.